GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1535
ANSWERED ON:14.03.2005
IMPOSITION OF EXCISE DUTY ON MRP
Sidhu Shri Navjot Singh

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government has received representations from small scale drugs manufacturing units located in border districts of Northern India regarding problems being faced by them due to imposition of excise duty on MRP of their products;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN):

(a) to (c) Representation has been received from Confederation of Indian Pharma industry (small scale) and some other Pharmaceutical Companies/Associations representing against the Central Excise Notification No. 2/2005 dated 7th January, 2005 according to which the Excise duty on medicines would be levied on the basis of retail price of the medicines after giving 35% abatement. Subsequently, the Government has revised the abatement level to 40% vide Notification No. 4/2005-Central Excise (N.T.) dated 23.2.2005.